

STATE OF CALIFORNIA-BUSINESS, TRANSPORTATION AND HOUSING AGENCY

ARNOLD SCHWARZENEGGER, Governor

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT****Division of Housing Policy Development**

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November 30, 2006

Mr. Mark Pisano, Executive Director  
Southern California Association of Governments (SCAG)  
818 W. 7th Street, 12th floor  
Los Angeles, CA 90017

Dear Mr. Pisano:

**RE: Regional Housing Need Determination**

The Department has reviewed your letter requesting acceptance of SCAG's Draft 2007 Integrated Growth Forecast for the Regional Housing Need Determination (RHND). Pursuant to Government Code Section 65584 et. seq., the Department has made its determination as described herein and as reflected in Attachment 1. As you are aware, in a July 2005 letter, the Department accepted SCAG's request pursuant to Government Code Section 65584.02 to coordinate the regional housing need allocation process with the pending update of the Regional Transportation Plan (RTP). The Department's July 2005 letter also implemented the statutory authorization to grant the requested extension of the due dates for housing elements within the SCAG region to July 1, 2008.

The Department, in consultation with the Department of Finance's Demographic Research Unit, has reviewed and considered SCAG's Draft Forecast with subsequent submittal of supporting data, including the household income distribution, and revisions received November 9, 2006 updating estimates pertaining to household growth, vacancies, and replacements. Attachment 1 represents the Department's Regional Housing Need Determination for the SCAG region, reflecting a total regional housing need between 687,000 and 733,000 housing units. As you are aware, SCAG is required to adopt a final plan by July 2007 that allocates among all counties and cities within the region a total regional housing need at or above the minimum end of the range and which is proportional to the income category percentages identified in Attachment 1. The final plan is subject to the Department's consistency review and approval pursuant to Government Code Section 65684.05(h).

For purposes of local governments' housing element updates due by July 1, 2008, the regional housing need allocation covers the period from January 1, 2006 through June 30, 2014. The allocation does not represent and shall not be used as a cap in planning for housing capacity. Planning for housing need above the minimum determination is appropriate and recommended in light of the region's significant size, growth, and higher household formation rates that have occurred in the past relative to those implicit in SCAG's current forecast. In updating their housing elements, local governments may credit, by applicable income category, housing units added since January 2006.

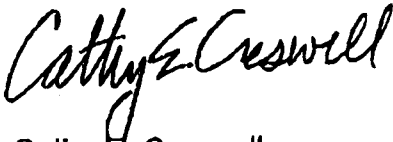
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The Regional Housing Needs Plan developed by SCAG is required to be consistent with the following objectives, as set forth in more detail in Section 65584(d):

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability;
- (2) promoting infill development and socioeconomic equity, protection of environmental and agricultural resources, and encouragement of efficient development patterns;
- (3) promoting an improved intraregional relationship between jobs and housing; and
- (4) balancing the distribution of households by income category.

The Department is available to further discuss and assist in the development and implementation of SCAG's regional housing needs allocation process. We are also available to assist counties and cities in developing their updated housing elements and addressing their housing needs. If you should have any questions, or would like to discuss further collaboration, please contact Linda Wheaton, Assistant Deputy Director, or Glen Campora, Senior Housing Policy Advisor, at (916) 445-4728.

Sincerely,



Cathy E. Creswell  
Deputy Director

Enclosure

## Attachment 1

### Regional Housing Need Determination

#### Southern California Association of Governments Region

For the Period January 2006 through June 30, 2014

<u>Income Category</u>	<u>Percent</u>	<u>Range of Housing Unit Need</u>
Very-Low	23.8%	163,500 – 174,450
Low	16.1%	110,610 – 118,010
Moderate	18.0%	123,660 – 131,940
<u>Above Moderate</u>	<u>42.1%</u>	<u>289,230 – 308,600</u>
Total	100%	687,000 – 733,000

Below is the income distribution for each county within the region that was derived from Census 2000 county median income and household income data:

<u>County</u>	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Moderate</u>
Imperial	24.7%	16.5%	15.6%	43.2%
Los Angeles	24.8%	15.6%	17.0%	42.6%
Orange	21.7%	17.3%	19.9%	41.1%
Riverside	23.4%	16.3%	18.3%	42.0%
San Bernardino	23.5%	16.0%	18.8%	41.7%
Ventura	21.8%	17.0%	20.5%	40.7%